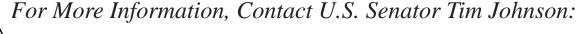
Comparison of Renewable Fuels Provisions in Senate and House Versions of the Energy Bill

U.S. Senate	U.S. House of Representatives
Renewable Fuels Standard The Senate energy bill requires that 5 billion gallons of transportation fuel be comprised of renewable fuel by the year 2012 nearly three times current ethanol production. This new renewable fuel standard (RFS) can help boost the economies of rural communities. There is a potential that in coming years, 2,000 South Dakota farmers will own ethanol plants that produce 200 million gallons of fuel per year. A 40 million gallon per year ethanol plant can provide: • 41 new jobs at each plant • \$20 million each year in increased household income for the community • 13.3% average annual return on investment over 10 years for farmers who invest \$20,000 in an ethanol plant	- nothing -
Small Ethanol Producer Tax Credit The Senate energy bill contains a small ethanol producer tax credit. Currently, ethanol producers are provided with a 10¢ per gallon credit on the first 15 million gallons of ethanol they produce, but that credit cannot legally be passed through to individual farmer members of co-ops that produce ethanol. The tax credit provisions in the Senate energy bill would allow the tax credit to "pass through" to individual farmers who have invested in their co-op. It will also allow ethanol plants with a production capacity of 60 million gallons or less to realize its benefits, which includes most of the start-up ethanol plants in South Dakota.	- nothing -
Biodiesel Tax Credit The Senate energy bill contains a new biodiesel tax credit that is similar to the ethanol tax credit: it would lower the price of biodiesel at the pump to encourage use of biodiesel. The price per gallon would lowered 1¢ for each 1% of biodiesel contained in the fuel. Combined with the renewable fuels standard, it would greatly increase the market, as well as the value, of surplus soybean oil.	- nothing -



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